

October 1, 2003

Members of the Board of County Commissioners
Leon County Courthouse
Tallahassee, Florida 32301

The Honorable Chairman and Commissioners:

I am pleased to present the adopted Fiscal Year 2003/04 Operating Budget and Five Year Capital Improvement Program. The total budget is \$198,224,102 or a 5.7% increase from last fiscal year. The total budget is comprised of operating appropriation equaling \$169,545,611 and capital equaling \$28,678,491.

The FY03/04 Budget provides funding to continue high levels of services to the citizens of Leon County while providing a millage rate of 8.55. This is the 12th consecutive year the countywide rate has either been reduced or held constant.

Three significant events are addressed for the first time in the FY03/04 budget: Leon County as a Charter Government, the provision of Emergency Medical Services and the implementation of Article V/Revision 7 which provides for changes to the way the state court system is funded.

Charter Government

This is the first budget prepared since the citizens of Leon County approved making our county a Home Rule Charter County. The implications of becoming a Charter County are vast and will have a long term lasting impact on the residents of our community.

Being a Charter County affords the Board of County Commissioners the opportunity to diversify and strengthen the revenues of County government. The Board has already acted and directed that the Fire Services Municipal Services Taxing Unit (MSTU) and Water/Sewer Franchise Fee be eliminated and replaced with the more equitable Public Services Tax (PST). The PST is charged to all users of public utilities and closely emulates the former electric franchise fee's customer base.

At the June budget workshop, the Board authorized the County to begin collecting the Communication Services Tax (CST) at the Charter County rate. As part of this action, the Board committed to dedicating approximately \$1.0 million of additional revenue to address stormwater flooding.

Emergency Medical Services

In July 2002, Tallahassee Memorial Hospital (TMH) notified the Board of County Commissioners that the hospital was going to discontinue both its ground and air ambulance service. TMH made this decision as both of these services were creating large annual financial losses for the hospital. The

Board of County Commissioners immediately responded and over the next several months evaluated numerous options to replace the hospital's services.

In June 2003, the Board awarded Leon County Air Ambulance Service to Air Methods Corp. This service is being brought to Leon County residents at no cost. This compares to the previous TMH air ambulance service which the hospital was subsidizing over \$600,000 annually.

In June 2003, after exhausting all other viable options, the Board unanimously approved the creation of a County run EMS Department to provide ground ambulance service. As the result of Board action taken on July 8, 2003, the County will be proceeding to negotiate with the City for the provision of first responder (non-transport) advanced life support for the rural areas of the County. The County anticipates providing all services by the end of the calendar year, while continuing to contract with TMH during the first three months of the new fiscal year.

The County run EMS will continue to provide the highest level of care that our community has relied upon as performed by TMH. In order to afford this effort, the Board has authorized the creation of a Countywide EMS Municipal Services Taxing Unit (MSTU). As this is a countywide MSTU it required the concurrence of the City Commission for the tax to be levied within the City. Although the City has agreed to the creation of this MSTU, they did so for only one year. With this funding mechanism's future uncertain, the budget contemplates levying 0.5 mills for FY03/04, the maximum allowed under the enabling ordinance. This tax rate will allow the County to purchase all of the required initial capital outlay as opposed to spreading this cost over several years. This approach should allow the County to drastically reduce the second year's, and beyond, millage rate requirements to approximately 0.2 mills.

Article V/Revision 7

Beginning July 2004, the funding requirements of County government for the court system is drastically changed. A number of current existing funding obligations are eliminated, such as the payment of conflict attorneys fees and the funding of court reporters. A number of revenues the County used to fund these operations will also be eliminated, such as proceeds from collections court and court facility filing fees. In addition, the enabling legislation enacted by the legislature this past session reduces certain state shared revenues.

The net effect for FY03/04 is approximately \$381,000 for Leon County. As the legislature will convene again prior to Revision 7 going into effect, there is still great uncertainty of further cost shifting or revenue reductions that may occur. To help protect the County against this uncertainty, the \$381,000 has been placed in a dedicated Article V reserve account.

Low Income Senior Homestead Exemption

This budget represents the second year of tax savings related to the Low Income Senior Homestead Exemption. According to the Property Appraiser's Office, approximately 1,900 seniors have qualified for the exemption. The tax savings are approximately \$414,000 to Leon County taxpayers claiming the exemption.

Salary Recommendations

Included in this budget is the necessary funding to provide the maximum of a 4%, or \$1,000, cost of living adjustment for all full-time career service employees on October 1, 2003. This is in addition to the potential merit awards (\$400 - \$600) career service employees are eligible for during the next fiscal year. The pay adjustment reserve also includes funding for a merit adjustment for senior management. Per Board direction at the June 10, 2003 workshop, the budget also includes funding necessary to implement adjustments to the Career Service and Senior Management/Executive Service pay plans.

How We Compare

Leon County continues to provide services to the community in an efficient manner. As shown in the charts in the budget analysis section, we rank lowest in expenditures per capita and total budget and near the lowest in number of employees per capita versus other counties of similar size.

When compared to the 53 Counties responding to our survey, Leon County has the 5th lowest budget per capita and the 17th lowest staff per capita.

Policy Guidance and Process

The Board provided policy guidance at the March 25 Fire MSTU Workshop, the June 10th and July 22 budget workshops to prepare the tentative budget:

- ▶ Maintain the Countywide millage rate
- ▶ No increase in the Stormwater Utility Non-Ad Valorem Assessment
- ▶ Fully fund the Primary Healthcare Program through the MSTU
- ▶ Fund Emergency Medical Services through patient billing revenue and an MSTU
- ▶ Eliminate the Fire MSTU and utilize the Public Services Tax to fund fire services
- ▶ Authorize the levying of the Communications Services Tax at the Charter Rate while eliminating the Water/Sewer Franchise Fee; utilize the additional revenues (approximately \$1.0 million) to fund the purchase of flooded parcels. Develop options for the bonding of the revenues and leveraging of grant funds.
- ▶ Fund new positions only in areas of critical need

In addition to the workshop s, the the Board conducted a public hearing to seek input from Citizens regarding the tentative budget in late July. In late August/early September, a series of four town hall meetings were conducted providing an overview of the budget. In September, the County conducted two statutory public hearings to finalize the adoption of the budget and millage rates.

County departments, judicial offices, and constitutional officers submitted a total of \$202,844,001 in budget requests; \$198,224,102 is included in the budget.

The budget is balanced given the estimated resources available. All of the funds are balanced over the five year financial plan, with the exception of the Building Department. The projected outyear shortfall has been anticipated and will be addressed in subsequent fiscal years by evaluating the building department's fee structure.

The budget includes increases in both the Florida Retirement System (FRS) contributions and the employer contributions for employer health care costs. The total additional funding is estimated at \$1.4 million for retirement and \$1.9 million for health care.

Contingency

The FY03/04 budget includes \$474,947 in the general fund contingency account. This compares to the \$480,819 included in the adopted FY02/03 budget.

Budget Overview

The total budget of \$197,458,271 includes \$168,779,780 for operating expenses and \$28,678,491 for capital expenditures. Depicted organizationally, the Budget reflects the following:

Department/Agency	Total FY03/04 Funding	% of Total Budget
Board of County Commissioners	\$68,852,084	34.7%
Constitutional Officers	\$59,985,989	30.3%
Capital	\$28,678,491	14.5%
Non-Operating	\$23,353,530	11.8%
Debt Service	\$14,105,373	7.1%
Judicial	\$3,248,635	1.6%
Total	\$198,224,102	100.0%

Board of County Commissioners

The Board of County Commissioners' portion of the budget is \$68,852,084 reflecting an increase of 23.9% over the FY02/03 adopted budget. Net of EMS and Solid Waste operations, the Board's portion of the operating budget reflects a 6.3% increase. There is a net recommended increase of 79.5 new positions; net of EMS the total increase is 7.5.

Legislative/Administration

The Legislative/Administration portion of the budget totals \$5,099,838 reflecting an increase of 5.5%. There is one new part-time position funded in this area for next fiscal year.

Tourist Development - The Tourist Development budget has been developed based on anticipated revenues. The budget includes a contingency of \$100,000 supported through the use of existing fund balance. Expenditures from the Tourist Development contingency account will require approval by the Board of County Commissioners.

County Attorney - As the direct result of the County settling a number of the Bradfordville related law suits the budget reflects the reduction of \$100,000 in professional services for outside legal counsel and experts. The budget includes the conversion of a part-time (0.5) file clerk for the Attorney's Office to a full time file clerk (1.0). The position is requested to support the necessary workload demands experienced in the County Attorney's Office.

Department of Public Services

The Department of Public Services portion of the budget totals \$25,718,589 reflecting an increase of 58.8%. Net of EMS, the total increase is 2.7%. There are 70 new positions for EMS and 2 positions

for the remainder of Public Services. As the result of a reorganization during FY02/03, the Planning Department, Housing and Human Services, and Neighborhood Justice were realigned to Public Services. In addition, the newly created Emergency Medical Services function has been housed in Public Services.

Emergency Medical Services - As discussed earlier in this message, this is the first budget to contain funding for EMS. The EMS budget is \$9.079 million: \$2.5 million for capital and \$6.56 for operating. This budget includes funding for all initial capital outlay requirements and on-going funding for 70 positions. Contained elsewhere in the budget are six positions included for the Sheriff's Office to provide dispatch service. One position each for Fleet Management and Human Resources is included. The remaining 70 positions are for the direct operation of the EMS program. The County intends to contract with a private provider for the billing collection component of the system.

Uninsured Primary Health Care MSTU - As directed by the Board at the June 10, 2003 workshop, this budget includes an MSTU of 0.12 mill for Uninsured Primary Health Care. The MSTU funding will continue to be utilized to leverage approximately \$175,000 from a Federal/State matching program. The MSTU provides funding for access to primary health care for uninsured, low-income citizens of Leon County.

Library Services - Based on Board direction given at the June 10, 2003 workshop, the budget includes funding for two part-time senior library assistants to support more timely distribution of materials to the public.

Based on direction received at the July Budget workshops, \$25,000 is included in the budget for a Public Library Business Center. It is anticipated that the on-going cost of this service will be approximately \$11,000 annually.

The Library Services budget includes an increase of \$25,000 to the annual circulation budget. With this funding, the circulation budget has increased over 36% since FY00/01. The five year financial plan contemplates an additional \$25,000 level of increase for each of the next five years. These additional funds are needed to keep pace with the increasing demands resulting from our growing branch library system and to update an aging inventory.

Management Services Department

The Management Services Department portion of the budget totals \$12,887,258 reflecting an increase of 7.9%. There is a net increase of 5 positions in this area.

Minority/Women Business Enterprise (M/WBE) - \$60,000 is included for the supplemental disparity study.

MIS - The MIS budget includes one new web specialist. This position is necessary to address continued demand for internet related application development.

Facilities Management - Based on projected utility increases, the budget includes an additional \$118,000 for this purpose. The budget includes two new positions. A facilities technician that is funded through the reduction of \$50,000 in contractual labor for a net savings to the County of \$16,861. An additional facilities planner is required to support the County's capital improvement program and overall project needs; it is estimated that 25% of the position's costs will be supported by the CIP.

Probation - Pre-Trial - The budget includes one new pre-trial release specialist. Existing staff is not adequate to attend first appearances and provide supervision to existing staff.

Growth and Environmental Management

The Growth and Environmental Management portion of the budget totals \$4,189,382 reflecting an increase of 7.0%. There are no new positions recommended. As the result of a reorganization during FY02/03, the Planning Department, Housing and Human Services, and Neighborhood Justice were realigned to Public Services.

Public Works

The Public Works portion of the budget totals \$20,957,017 reflecting an increase of 12.3%. The majority of the increase is related to Solid Waste. There is a net increase of two full time position and 0.32 OPS. One of the positions is a fleet mechanic to be supported by EMS funding.

Stormwater Maintenance/Mosquito Control - The budget includes an increase of 0.32 OPS position to support increased spraying.

Parks and Recreation - Pursuant to Board direction given at the June 10th workshop, the budget includes \$90,000 to eliminate the city's parks and recreation differential user fee structure. The County is proposing the City and County jointly fund the elimination of this program. Through its elimination, the City would be able to realize considerable administrative cost savings. In addition, the County is concerned that unincorporated residents continue to pay a differential fee for recreation activities conducted at the County owned Tom Brown Park. At the time this document was published, the County had not received a response to its proposal.

The budget contemplates the elimination of one position together with an increase in contracted mowing in open spaces and community parks. The budget also provides increased funding for the utilities associated with sports fields.

Operations - \$62,000 in additional funding is included to support pavement marking upgrades. Two inmate supervisor positions are included to support the alternative stabilization program. The positions will be charged against the capital projects they are supporting.

Solid Waste - The budget reflects the first full year of operation of the transfer station. The tipping fee for the transfer station is \$27.80 per ton versus the \$29.00 per ton currently utilized at the landfill.

Constitutional Officers

The overall Constitutional portion of the budget is \$59,985,989 reflecting an increase of 5.8%. There is a net reduction of 17 positions. The large reduction is the result of the privatization of medical services at the jail during last fiscal year.

Sheriff - The Sheriff's Law Enforcement and Corrections budget totals \$44,574,645 representing a 8.5% increase. The budget includes the funding necessary to implement the second year of the Board approved Sheriff Salary Compensation Study. The study provides funding for at least a 6% raise for sworn law enforcement officers at Deputy Grade. Raises for the upper ranks are also included.

To ensure the Board's commitment to the three year compensation study, the budget includes a \$500,000 reserve set aside specifically to help fund the third year of this initiative.

The budget includes six new dispatcher positions to funded through EMS and three new positions identified by the Sheriff as critical to his operations: Victim Advocate, Speed Enforcement Officer (both previously grant funded) and Wrecker Enforcement Officer to enforce the County towing ordinance.

The budget reflects the privatization of the medical function of the jail that occurred during FY02/03. This activity reduced 21 positions.

Clerk of the Court - The Clerk of the Court's budget totals \$5,723,926 reflecting a 12.8% decrease. As discussed earlier, the FY03/04 budget involves the first year implementation of Revision 7. The County's funding obligations of the Clerk's budget change significantly on July 1, 2004. On-going obligations will include, but not be limited to, funding for facilities, storage and management information systems. The County will continue to work with the Clerk to ensure a smooth transition

to this new arrangement. For FY03/04, the Clerk has estimated returning \$329,010 to the county as excess fee revenue.

Supervisor of Elections - The Supervisor of Elections budget totals \$1,815,573 or an increase of less than 1%. The Supervisor will be responsible for two full elections in FY03/04 - the Presidential Preference in March and the August Primary. In addition, September preparation is necessary for the November elections.

Property Appraiser - The Property Appraiser's budget totals \$3,442,697 reflecting a 13.7% increase. The Property Appraiser has requested five new positions from the Department of Revenue to support increasing workload demands: two customer service representatives, one tangible personal property (TPP) appraiser, one residential specialist and one land appraiser.

Tax Collector - The budget reflected in this document for the Tax Collector represents the fees and commissions the County is obligated to pay for the collection of taxes and non-ad valorem assessments. These commissions are estimated at \$3,124,961 for FY03/04.

Judicial

The overall Judicial portion of the budget is \$3,248,635 reflecting a decrease of 13.5%. There are 1.25 net new positions included in this area. As discussed previously, the judicial portion of the budget is impacted by Article V/Revision 7 implementation occurring July 1, 2004.

Court Administration - In keeping with the Board's commitment to control the jail population, the budget contains a Mental Health Coordinator. In addition a clerical position is included to support this new position and the existing Jail Detention Review Coordinator. With the implementation of Revision 7, the County will also be responsible to fund an Alternative Sanction Coordinator position. Effective July 1, 2004, funding for all other positions will not be the County's responsibility. As with the other court related areas, the County will continue to be responsible for facilities, a portion of communications and management information systems.

Public Defender and State Attorney - The County's obligations effective July 1, 2004 include facilities, a portion of communications and management information systems. As the County does not currently pay for a portion of these entities MIS functions, these will be new expenses for the County. However, a number of existing expenditures will be eliminated, such as court reporters and witness travel.

Special Court Programs - Effective July 1, 2004, the County will no longer be eligible to levy a number of special filing fees. These filing fees support such programs as Teen Court, the Law Library

and Mediation. The state will assume responsibility for some of these programs. However, certain programs, such as Teen Court, will still be an option of local governments, but the County will not have a dedicated fee to support the program. The budget reflects all these special programs no longer being supported by the County effective June 30, 2004.

Non-Operating

Non-Operating funding is provided by the Board of County Commissioners for those activities for which costs do not apply solely to any specific County department's function, but are either applicable to the operation of county government as a whole, or are provided for the good of the public. No County employees are associated with Non-Operating entities. The County employees responsible for the administration of these various programs are presented in the various County Administrator department budgets. The overall Non-Operating portion of the budget is \$23,353,530 reflecting an increase of 89.1%.

The significant increase from FY02/03 is associated with the overall reserves. To properly reflect the full Solid Waste budget, anticipated retained earnings are included in the budget as a rate stabilization account. In addition, capital reserves being accumulated for future projects are also budgeted. Other funding included in this area are items such as the Bank of America operating expenditures, insurance expenses, and the Tax Increment Financing (TIF) payment to the City of Tallahassee's Community Redevelopment Authority.

As directed by the Board at the June 10, 2003 workshop, additional funding for the permanent line item funded agencies is included in the budget as follows: Tallahassee Senior Citizens Foundation \$25,136, Tallahassee Museum of History and Natural Sciences \$10,000, St. Francis Wildlife \$5,000 and Economic Development Council \$35,000. In addition, the Board directed the inclusion of \$75,000 to support the funding of the Cultural Plan implementation.

Capital Improvement Program

The overall FY03/04 Capital Improvement Program (CIP) portion of the budget is \$28,678,491 reflecting a decrease of 37.6%. Included in this document is a summary of all capital projects for the next five years. Provided under separate cover is a CIP document with detail for all capital projects.

The highlights listed below reflect FY03/04 funding unless otherwise noted.

Transportation - total \$15.2 million, highlights include:

- Buck Lake Road from Mahan Drive to Davis Drive continued funding of \$4,500,000; total CIP funding of \$13,574,979.

- Continued funding for Tharpe Street Capital Circle NW to Ocala Road \$1,000,000; total CIP funding \$23,200,000.
- Continued funding for Miccosukee Rd Reconstruction \$700,000; total funding \$17,316, 260.
- Kerry Forest Parkway Extension \$300,000; total CIP funding of \$800,000.
- Program funding: Arterial/Collector Resurfacing \$1,000,000; Intersection and Safety Improvements \$900,000; Community and Safety Mobility \$250,000 and Local Road Resurfacing \$550,000.

Cultural Resources: Libraries/Parks and Recreation - total \$4.4 million, highlights include:

- Bookmobile \$150,000, with the intention of securing an additional \$100,000 donation from the Friends of the Library to enhance the overall book mobile acquisition.
- \$875,000 each for the Lake Jackson and Apalachee Parkway Branch Libraries. This is preliminary funding to create stand alone branch libraries.
- Woodville Community Center \$650,000.
- Woodville Community Park \$150,000.
- Capital Cascades Greenway \$250,000.
- Lake Jackson Community Center \$200,000 for preliminary design and site acquisition, with total CIP funding of \$850,000.
- Northeast Community Park \$1,000,000 for site acquisition and preliminary design, with total CIP funding of \$2,000,000.
- Apalachee Regional Park \$1,000,000 in FY04/05 for total CIP funding of \$1,500,000 to provide funding for creating recreational amenities as the landfill closes.

General Government - total \$3.1 million highlights include:

- Justice Information System Data Warehouse - \$312,000 to develop a common platform for the sharing of data among the various members of the judicial community; total CIP funding of \$712,000.

- Geographic Information Systems (GIS) - continued funding of \$421,825.
- Sheriff/Jail - \$250,000 for a mobile command storage shed.

Stormwater - total \$5.4 million highlights include:

- Harbinwood Estates Drainage \$1,363,898, total CIP funding of \$3,363,898.
- Blueprint 2000 Water Quality Enhancement projects \$2,780,000.

Board Retreat Priorities

The adopted budget provides fiscal support to a number of the Board Retreat Priorities discussed in December of 2003.

Emergency Medical Services - The highest Board priority, this budget provides a solution and funding for the County to provide EMS.

Economic Development - The budget provides \$210,000 for the Economic Development Council and an additional \$75,000 to support the Cultural Implementation Plan.

Consolidation of City County Governments/Functional Consolidation and Resolution of City/County Issues - This budget reflects three successful interlocal agreements executed with the City over the past twelve months: Animal Shelter Services, Solid Waste Transfer Station and the Planning Department. The County has also proposed eliminating the Parks and Recreational Differential User fee through the City and County sharing the cost.

Eliminate the Fire Services MSTU - This budget accomplishes this goal through the use of the Public Services Tax, a more equitable and diverse revenue stream.

Jail Population Management - This budget includes funding for a Mental Health Coordinator position.

Youth Centers - Capital project funding is included for both the Woodville and Lake Jackson Community Centers.

Conclusion

In closing, I believe the Fiscal Year 2003/04 budget represents a financial plan that maintains service levels, while being sensitive to high priority programs such as public safety, transportation, parks and recreation, and library services.

I would like to express my personal thanks to the Constitutional and Judicial Officers for their cooperation during the budget process and to the Group Directors and department staff, for the considerable number of hours that they spent assisting me in formulating the budget.

I look forward to working closely with the Board as we implement this plan in the new fiscal year.

Respectfully Submitted,

Parwez Alam, County Administrator